

# Santa Barbara County Economic Forecast

Growth of technology-based employment, and other jobs in business services, recreation, and retail trade led the labor market surge between 1996 and 2001 when employment in the county increased by nearly 21,000 jobs. Since 2001, the county has lost 1,400 jobs, principally in manufacturing, wholesale trade, and information.

Tourism is a large sector of the Santa Barbara County economy, and the lodging business has remained quite healthy in recent years.

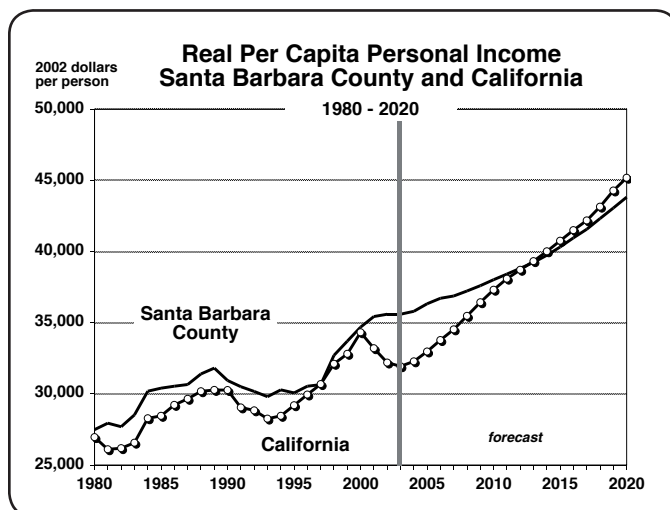
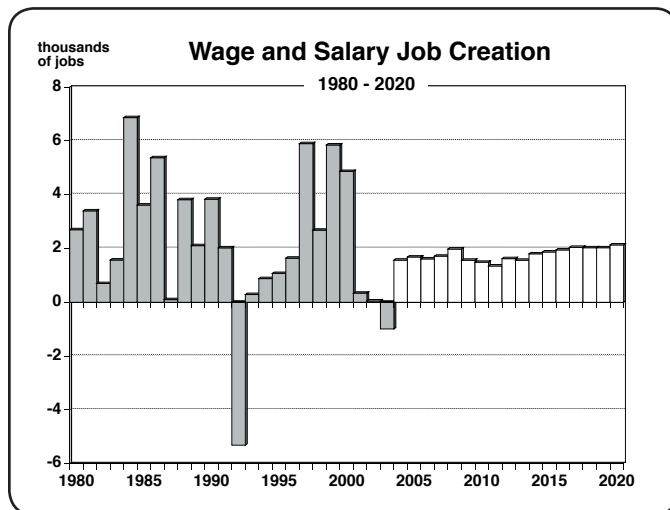
Job growth in the non-farm sector dropped 0.4 percent in 2002. That rate of growth will repeat in 2003. The forecast of 2,450 non-farm jobs created in Santa Barbara County in 2002 will principally occur in education and services, especially consumer services.

Home prices in Santa Barbara County continue to rise with the rate of appreciation soaring into double-digit increases. The southern part of the county where half of the population resides, currently shows the highest housing prices in the state. More, and less expensive housing has been producible in the Lompoc and Santa Maria Valleys, where prices are relatively lower, but appreciation rates higher.

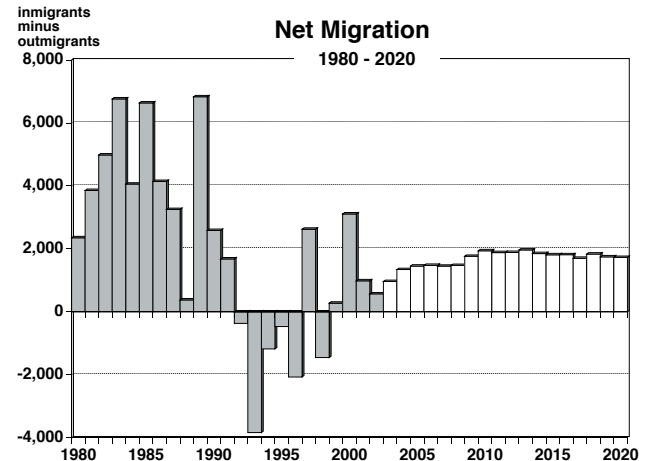
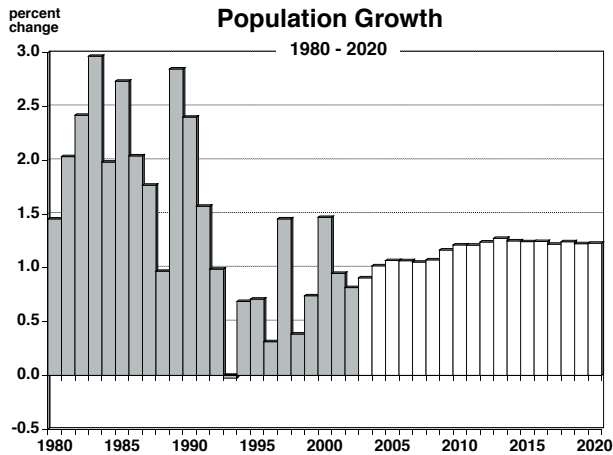
New development in 2004 will be light in the South and heavy in the North. While large housing projects will break ground in Lompoc and Santa Maria over the next two years, the pipeline for South Coast housing is empty.

## Forecast Highlights

- Population growth is not expected to abate much, even though only modest levels of net migration are forecast over the next several years. Rising home costs are stifling migration-based population growth, in both the northern and the southern ends of the county. The principal contributor to local population is the natural rate of growth. Between 2003 and 2008, the annual rate of growth averages 1.1 percent.
- The growth of real per capita real income is expected to increase in 2004 and 2005, relative to the one percent growth recorded in 2001 and no increase in 2002. Adjusted for inflation, real per capita incomes are forecast to rise an average of one percent per year between 2003 and 2008.



- Non-farm employment growth averages 1.2 percent per year between 2003 and 2008. Less than one percent per year employment growth is forecast after 2009.
- Housing poses the largest constraint to significant job creation and net migration in Santa Barbara County. To the extent that affordable and available housing is present, economic growth in the form of job creation would expand. The expansion of employment that is forecast occurs principally in the Santa Maria Valley where housing affordability is not yet a pressing issue.



## Santa Barbara County Economic Forecast

### 1995-2002 History, 2003-2020 Forecast

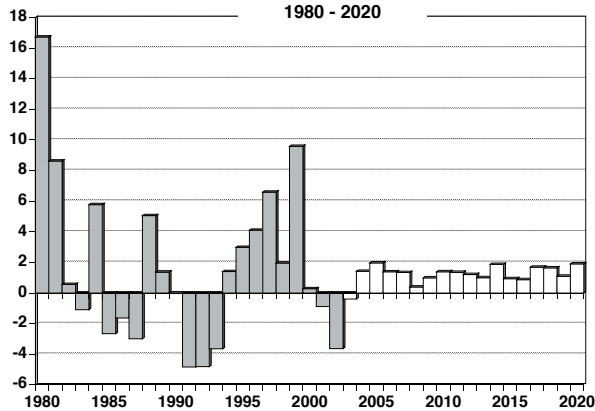
	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	383,700	-462	308.3	133.1	792	\$2.4	\$9.8	\$30,066	\$525	\$2.5
1996	384,900	-2,064	311.3	133.6	775	\$2.5	\$10.2	\$30,537	\$566	\$2.6
1997	390,500	2,625	299.3	134.9	903	\$2.7	\$10.5	\$30,648	\$610	\$2.7
1998	392,000	-1,449	318.0	135.3	1,026	\$2.8	\$11.4	\$32,705	\$595	\$2.8
1999	394,900	278	323.7	136.1	915	\$3.2	\$12.1	\$33,711	\$635	\$3.1
2000	400,700	3,111	336.0	136.6	924	\$3.4	\$13.1	\$34,690	\$720	\$3.1
2001	404,500	988	347.0	137.5	1,315	\$3.6	\$13.9	\$35,438	\$733	\$3.1
2002	407,800	573	353.0	138.4	1,669	\$3.7	\$14.5	\$35,602	\$730	\$2.9
2003	411,496	967	356.5	139.7	1,443	\$3.9	\$15.0	\$35,601	\$731	\$2.9
2004	415,685	1,345	360.2	141.0	1,339	\$4.1	\$15.6	\$35,806	\$740	\$3.0
2005	420,122	1,456	364.3	142.1	1,308	\$4.3	\$16.4	\$36,336	\$757	\$3.0
2006	424,599	1,480	368.7	143.3	1,336	\$4.5	\$17.1	\$36,719	\$780	\$3.1
2007	429,068	1,454	373.0	144.4	1,376	\$4.7	\$17.8	\$36,882	\$798	\$3.1
2008	433,675	1,477	377.6	145.6	1,400	\$5.0	\$18.6	\$37,233	\$813	\$3.1
2009	438,729	1,766	382.4	146.9	1,427	\$5.2	\$19.4	\$37,608	\$841	\$3.2
2010	444,046	1,942	387.3	148.1	1,469	\$5.4	\$20.4	\$38,030	\$870	\$3.2
2011	449,422	1,885	391.9	149.4	1,510	\$5.7	\$21.3	\$38,418	\$903	\$3.2
2012	454,995	1,888	396.4	150.7	1,538	\$5.9	\$22.4	\$38,826	\$942	\$3.3
2013	460,789	1,967	400.9	152.1	1,563	\$6.2	\$23.5	\$39,240	\$985	\$3.3
2014	466,549	1,854	405.2	153.4	1,584	\$6.4	\$24.7	\$39,743	\$1,016	\$3.4
2015	472,346	1,816	409.6	154.8	1,594	\$6.6	\$26.0	\$40,325	\$1,043	\$3.4
2016	478,224	1,816	413.9	156.2	1,600	\$6.9	\$27.4	\$40,970	\$1,070	\$3.4
2017	484,057	1,702	417.8	157.6	1,606	\$7.2	\$28.9	\$41,571	\$1,104	\$3.5
2018	490,070	1,839	421.2	159.0	1,604	\$7.4	\$30.5	\$42,326	\$1,147	\$3.6
2019	496,069	1,750	424.2	160.4	1,610	\$7.6	\$32.2	\$43,065	\$1,192	\$3.6
2020	502,162	1,732	427.0	161.8	1,609	\$7.9	\$33.9	\$43,828	\$1,233	\$3.7

- The longer term outlook for the Santa Barbara County economy is generally positive, as new growth occurs in the North. However, the shadow of the housing crisis will ultimately impact the ability of the business sector to remain both vibrant and dynamic due to a shortage of affordable homes for the workforce.

average annual  
percent change

### Real Industrial Production

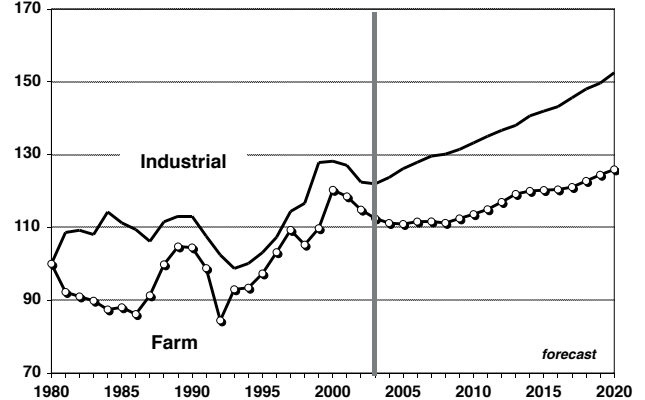
1980 - 2020



inflation-  
adjusted index  
(1980=100)

### Industrial and Farm Production Indices

1980 - 2020



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
158.6	14.1	5.4	1.2	15.9	5.1	35.2	7.2	44.7	29.7
160.2	14.6	5.9	1.2	16.4	5.1	35.0	7.1	45.3	29.7
166.1	14.7	6.7	1.0	17.1	5.4	36.6	7.2	46.5	30.9
168.8	13.8	6.8	0.9	17.8	5.3	37.4	7.5	47.4	31.8
174.6	15.3	7.7	0.8	16.8	5.1	39.1	7.6	49.9	32.4
179.5	14.9	8.2	0.7	16.9	5.0	40.3	7.9	52.8	32.8
179.8	13.8	8.4	0.8	16.6	5.1	39.9	8.3	52.9	34.4
179.9	14.4	8.0	0.8	15.5	5.0	39.8	8.2	52.8	35.5
178.9	14.3	8.1	0.8	15.1	5.0	40.1	8.3	53.8	34.8
180.5	13.5	8.3	0.8	14.8	5.0	40.5	8.3	54.2	35.0
182.2	13.1	8.6	0.8	14.6	5.1	41.0	8.4	55.4	35.3
183.8	12.9	9.1	0.8	14.3	5.1	41.5	8.4	56.0	35.8
185.5	12.8	9.2	0.8	14.0	5.1	42.4	8.5	56.5	36.3
187.5	12.9	9.2	0.8	13.7	5.1	43.4	8.5	56.9	37.0
189.0	13.1	9.2	0.8	13.3	5.1	44.3	8.5	57.2	37.4
190.5	13.4	9.2	0.8	13.1	5.1	45.1	8.6	57.4	37.8
191.9	13.7	9.3	0.8	12.8	5.1	45.7	8.6	57.7	38.1
193.5	14.0	9.3	0.8	12.5	5.2	46.3	8.7	58.0	38.9
195.1	14.3	9.3	0.8	12.3	5.2	46.7	8.7	58.5	39.4
196.9	14.6	9.3	0.8	12.3	5.2	47.1	8.7	59.0	39.9
198.7	14.9	9.4	0.8	12.2	5.2	47.6	8.8	59.6	40.5
200.7	15.2	9.4	0.8	12.0	5.2	48.0	8.8	60.3	41.1
202.7	15.5	9.4	0.8	12.0	5.2	48.3	8.8	61.0	41.7
204.8	15.9	9.5	0.8	11.9	5.2	48.7	8.8	61.8	42.3
206.8	16.2	9.5	0.8	11.7	5.2	49.0	8.8	62.6	42.9
208.9	16.6	9.5	0.8	11.6	5.2	49.3	8.9	63.5	43.6

